Market Feasibility and Impact Study of Proposed Mega Plex Theatre in Lincoln, Nebraska

R-T Associates

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A. Introduction

The following Market Feasibility Study will attempt to determine the sustainability, and practicality of a potential 18 screen "Mega-Plex" movie theatre being proposed as a possible use at a shopping center site located at 84th Street and Highway 2 near the southeastern boundary of Lincoln, NE. In addition, this assessment will focus on the impact that the proposed location (known as the "Prairie Lake Theatre") will have upon the overall Lincoln, NE theatre market, with a specific emphasis upon the potential affect of this site upon the only mega-plex currently operating in Lincoln, The Grand 14, a recently opened stadium mega-plex located at 1101 P Street in Downtown.

The proposed "Mega-Plex" theatre is being considered as a potential land use in an application for Comprehensive Plan Amendment that is requesting, among other things, an amendment to the City of Lincoln's theatre policy which prohibits the construction of theatres greater than 6 screens outside of the central business district in downtown Lincoln. The Prairie Lake Theatre site is currently partially developed, and is occupied by a super Wal-Mart, a Menard's super center, and several fast food and casual dining restaurants.

This feasibility study is being performed by R. Keith Thompson of R-T Associates at the request, and sole use of The City of Lincoln Nebraska.

The following report, relevant statistics, pro-forma financial results, maps, and demographic information is for the City of Lincoln's use, and is not intended to be relied upon by third parties. The estimates and projections contained within this study are based upon our work on other national theatre projects, results from theatres built within this and similar markets, our good faith estimates, and our past and current experience within the industry. We have taken into account current trends in the movie theatre industry, as well as national trends in shopping center development and land use in forming our opinions relating to this market feasibility study.

B. Executive Summary of Findings

There are currently six (6) locations and 43 movie screens currently serving the Lincoln, NE market.

- Annual movie theatre admissions in Lincoln are approximately 1,461,000 in total, and approximately 1,238,000 for first run full price admission theatres.
- The market trade area of Lincoln, NE (estimated at 261,545 people) is over screened by approximately 35% based on comparative data on the U.S. as a whole.
- The proposed Prairie Lake site at 84th Street and Highway 2 is likely too near to the Edgewood 6 to constitute a "free film zone."
- 79% of the forecasted attendance for the proposed Prairie Lake 18 comes from the transfer of business from the existing theatres in the market.
- Operation of an 18 screen theatre at the proposed Prairie Lake site will cause an annual drop in attendance at the existing first run theatres within the Lincoln market of approximately 345,000, equivalent to 28% of current total first run theatre attendance.
- The forecasted stabilized attendance decline at The Grand 14, after opening of the proposed Prairie Lake theatre is 409,000, a 25% deterioration from the current level.
- Extremely sparse population to the Southeast of the proposed site causes excessive overlap with the trade areas of the existing theatres in the market, including the Grand 14.
- The population living within a ten minute drive time of the proposed Prairie Lake site, forecasted at 87,349 in 2006, does not currently warrant the construction of a Mega-Plex theatre. In 2006 the total population forecast to be living within a fifteen minute drive southeast of the proposed site is only 4,575.
- There is not a sound financial model to justify the construction of the proposed Prairie Lake Mega-Plex theatre. Finding a theatre chain willing to move forward on the site will prove challenging, if not impossible.

C. Discussion of Existing Movie Theatres

With a census estimated 2004 population base of approximately 261,545 people living within Lancaster County, NE, which comprises an 840 square mile trade area, the market of Lincoln, NE has thirty two (32) first run screens, 9 second run or discount screens, and 2 specialty art screens for a total of 43 movie screens currently serving the market. (Please note that the demographics shown later in the report of an area within a 10 mile radius of Lincoln, and within a 15 minute drive time from the center of town show populations lower than the 261,545 Lancaster County census estimate because the figure reflects a smaller geographic area.)

Existing Base of Movie Theatres Serving Lincoln

Location	2003 Box Office Revenues	2004 Box Office Revenues	Projected Annual Box Office Revenues(1)	*Per Screen*
East Park 6	$1,675,191	$1,713,519	$1,154,000	*$192,333*
Edgewood 6	$1,275,768	$1,677,445	$1,341,000	*$223,500*
Southpointe 6	$2,055,714	$2,088,612	$1,811,000	*$301,833*
The Grand 14	Opened 11/19/04	$ 670,016	$3,384,000	*$241,714*
Starship 9 ($)	$ 461,970	$ 447,443	$ 455,000	*$ 50,523*
Media Arts Center 2 Cinema Twin(Est.)	$ 212,534	$ 223,973	Closed due to The Grand 14	
Douglas 3	$ 475,847	$ 491,185	Closed	“
Plaza 4	$ 592,633	$ 469,910	Closed	“
Lincoln 3	$ 352,640	$ -0-	Closed	“
Total Screens 43	$7,102,297	$7,782,103	$8,135,000	

(1) Normalized annual box office projections taking into account the opening of the Grand 14 in November of 2004.

The Lincoln, NE populace of 261,545 is served by 43 total operating movie screens, which equates to a ratio of **population to screen count of 6,082:1.** According to the Motion Picture Association’s 2004 Market Statistics, the U.S. as a whole in 2004 contained **one screen for every 8,207** people, indicating that Lincoln has approximately 35% more screens per person than the U.S. as a whole. The movie theatre industry’s longstanding “rule of thumb” for the amount of population that it takes to economically support a movie screen has dropped in recent years from 10,000:1, to a range of between 8,000 to 9,000 people per screen. This drop in the number of people required to support a movie screen has been fueled primarily by a 40% increase in movie screens since 1994, as compared to attendance growth of only 19% over the same period.

An additional 6 screens have been approved in north Lincoln at the intersection of Folkways Boulevard, and N 27th, near the Lincoln Crossing regional shopping center. Construction of this approved theatre location will raise the screen count in the Lincoln market to 49 screens.

The estimated average attendance per person in the Lincoln trade area of 5.59 visits per year in 2004, vs. the U.S. average of 5.23 visits per person in 2004 (source: MPA Worldwide Market Research, 2004 MPA Market Statistics) supports the conclusion that the market is approximately 35% over screened.

D. Discussion of Film Zones

Theatre attendance is affected by a myriad of different variables, but probably the most misunderstood, yet most important factor is "film zones." A film zone is simply a geographic area determined by both the various film distribution companies and theatre operator's (exhibition companies), where movie theatres located within the "zone" or geographical area (because of their physical proximity to one another, and the costs of distributing film prints), are not allowed to license and exhibit the same films. All theatres in the United States are entitled to license film product, but those located within the same film zone, do not license or exhibit the same films simultaneously.

The proposed Prairie Lake location, at 2.5 air miles and 2.7 driving miles from the Edgewood 6, is too close by historical distribution practices for the two locations to exhibit the same films at the same time (or in industry terms, to "play day and date"). Typical geographic separation between theatre locations has been 4-5 miles in order for theatres to play "day and date." In this case, unless the Edgewood 6 closes, a theatre developed upon the proposed site at 84th Street and Hwy. 2 would "share the film zone" with the Edgewood 6, and split film product with this existing 6 screen movie theatre. In other words, if the proposed new theatre site were open this summer, only one of the movie theatres would be allocated a print of May 19, 2005's blockbuster release, "Star Wars - Episode III - Revenge of the Sith." Likewise only one of these two theatres would receive a "print" of "Madagascar," "Batman," etc.

Film allocation between competitive theatres is not simply a mathematical equation based on screen count. While screen count does play a role, in practice both the number of films and the quality of films from each separate distributor is also a factor. "A" titles (those expected to produce big box office grosses) are more evenly allocated between locations or exhibitors than a pure mathematical allocation would indicate, as film distributors do not want to be accused of "favoring" one location over another. The overall history and relationship between the exhibitor and the film company(s) also plays a role in film allocation. At its best, film allocation is quite subjective, taking into account many factors, including overall market penetration of the exhibitor, as well as the booking savvy and ability of the particular exhibitor to predict a film's success, and to ultimately position itself in the film rotation to receive the most lucrative film allocations.

The economic success of modern, stadium style mega-plex movie theatres, especially in smaller trade areas, is very dependent upon achieving a "free film zone." Film allocation among theatres located within a film zone directly affects the economic health and viability of those theatres, as particular films will be allocated to one or the other of the locations, but not to each of them. This phenomenon negatively affects the revenue streams of the theatres located within the same film zone, many times rendering one or more of the locations operating in a competitive film zone economically unviable.

E. Trade Area (Population) Overlap

Due to the location of the proposed Prairie Lake theatre (the southeastern most boundary of the City of Lincoln's residential and commercial development), the trade area for potential movie theatre patrons attending Prairie Lake significantly overlaps with the trade areas of the existing theatres serving the market. In 2006, based on U.S. Census information, the total population living within a 7 mile radius of the proposed location is projected to be 157,242. Of that demographic population estimate, only 3,646 people, or a mere 2.3% of the total live within the 7 mile "half" radius southeast of 84th Street and Hwy. 2 (please see map and demographic report attached hereto).

Hence virtually all of the patrons, and most of the attendance will come at the economic expense of the existing Lincoln theatre base. Those theatres closest to the proposed site will experience the biggest declines, with the deterioration lessening slightly as the distance between theatre locations increase. The Edgewood 6 will suffer the worst percentage drop since it will likely be forced to share film product with the Prairie Lake location.

The proposed site of the Prairie Lake 18 is located 7.4 air miles southeast of The Grand 14. Due to the sparse population southeast of the proposed Prairie Lake site, however, there is significant and excessive trade area population overlap between these two mega-plex locations. Within a ten minute drive of each location there is an "overlapped demographic" consisting of 72,410 people. Patrons within that overlap trade area will have a decision to make if they want to attend a film at a new modern mega-plex: "Do we go downtown to the Grand, or do we stay in the suburbs and go to the Prairie Lake 18?" There is no certain answer to that question, however, it is a certainty that a large number of patrons who previously only had one mega-plex choice will visit the new theatre.

If one half of the patrons in the contested trade area (36,205) were to begin attending the Prairie Lake theatre instead of the Grand, the decline in attendance at the Grand 14 would be approximately 171,250, or 31.4% (this decline is based on the existing average number of visits per person to first run theatres in the Lincoln market of 4.73 times in 2004, see chart entitled 2004 Census Update and Existing Theatre Statistics).

For purposes of this assessment, since it is our belief that the Prairie Lake theatre will be in a competitive film zone, and will not be allowed to license all available film product, we assumed that slightly less than one half of the contested population living within the ten minute overlapped trade area will choose to attend the proposed new theatre at Prairie Lake. Experience indicates that the Grand will likely suffer a permanent loss of attendance of approximately 25% of current levels. The year one loss will likely be greater, perhaps as much as 35%, as patrons "try-out," or sample the new location. However, a well documented year two attendance "bounce-back," of approximately 10% can be expected.

If the Prairie Lake site were in a "free film zone," we believe that the cannibalization of attendance at the Grand would be potentially much greater. On certain films, or film genres, such as animated, or family films, assuming that the Prairie Lake site had obtained the film allocation, we would expect significant negative impact to the box office revenues of the Grand 14. One could also expect that matinee attendance at a suburban mega-plex will greatly exceed that of a downtown site, especially during summer months and holidays, when many public and private schools are closed.

Mega-Plex theatres, due to their ability to exhibit both more films, and to exhibit the most popular films on numerous screens at multiple show times, have significantly larger trade areas than typical multiplex theatres. Many mega-plex theatres, due to their locations, and amenities, draw patronage from entire markets. Given the relatively low amount of traffic congestion in Lincoln, combined with the off peak traffic time of most movie theatre attendance (nights, and weekends) the trade area for a mega-plex might easily extend to a 15 minute drive, or beyond.

In the analysis of the Prairie Lake site's potential impact upon The Grand, it is important to note that the 15 minute drive time population overlap between the two sites swells to 194,809 people. This overlap equates to 79% of the total population living within a 15 minute drive of the Grand 14, and 99.3% of the total population living within a 15 minute drive of the proposed Prairie Lake location. For this reason, our expected attendance decline of 25% at The Grand, should be viewed as a minimum. The potential magnitude of the attendance decline of The Grand 14 could be much greater.

Executive Summary of Statistical & Financial Model

Projected Number of Stabilized Prairie Lake Admissions for an 18 Screen Mega-Plex:	437,858
Admissions "transfer" from existing theatres:	344,984 (79%)
Predicted Market Expansion:	92,874 (6.4%)
Free Film Zone:	No
Existing or planned theatres within 5 miles of proposed site:	2 Existing 6 Screen Theatres (12 screens)
Current Population within 10 minute drive of the site:	87,349
Trade Area Population not served by existing Theatres:	4,575
Prairie Lake Theatre Projected Total Revenues (Avg.yrs.1-5):	$4,171,084
Projected Average Theatre Level Profit Before Rent (Yrs. 1-5):	$633,452
Projected Costs of "Slab on Grade" 18 Screen Theatre:	$20,792,000
Projected Annual Rent:	$1,673,756 $20.92 Per Foot
Proj. Prairie Lake Theatre Profit (Loss) after Rent (5 yr. avg.):	($1,040,304)

F. Explanation of Assumptions Utilized to Create The Attendance, Financial and Capital Cost Model

In preparing this feasibility report, we conducted a thorough review of all the existing motion picture theatres in the surrounding trade area, including a physical inspection of each location. We reviewed and analyzed the most two recent calendar year's box office performance for each theatre, as well as the ticket price structure for admittance to each location. Based upon each location's reported revenues and average ticket price, we were able to determine each location's annual number of admissions.

Based on the average attendance per person in the trade area, we were able to impute a theoretical trade or "catchment" area population being served by each theatre. By comparing the imputed trade area to the 7 or 10 minute population count (whether to use the 7 or 10 minute demographic was based on site characteristics), we were able to come up with an estimated capture rate of the trade area. The actual trade area capture compared to the 7 or 10 minute drive time sample was 48.0% for all first run theatres serving Lincoln.

It is interesting, and alarming to note that in order to achieve attendance of 437,858, the Prairie Lake 18 will have to capture 100.7% of its entire 10 minute population base. The Prairie Lake Theatre site will have to achieve this unrealistic capture rate of the 10 minute trade area, despite operating within a competitive film zone with the Edgewood 6, and while sharing almost 100% patron overlap with the Southpointe 6, which based on co-tenancies and retail pull, is situated in a more desirable location.

Number of Year One Admissions – In order to project year one admissions, we first determined the amount of likely business to transfer from existing area theatres. This was accomplished after an inspection of the proposed site, and was determined based on road and traffic patterns, and the drive time population counts, vetted against the location of other operating 1st run commercial theatres (discount, or "dollar" houses are not figured into the calculation). The attached maps show the projected 5, 10 and 15 minute drive time population sample for the proposed site, and also highlights the location of competing theatres that will "share" the demographic available for theatre attendance.

Film Rent - Licensing fees for film product are typically paid on a declining percentage scale (70% of the gross in week 1, 60% the 2nd week, 50% the 3rd week, 40% the 4th week, and 35% thereafter). A large number of screens within a film zone, however, can actually drive up costs, as theatre operators exhibit films on more than one screen, increasing the amount of business garnered early in the film run and driving up the average cost for film. Our experience indicates that theatres in "competitive" film zones tend to "settle" film on the high side of industry norms, as an aggressive film settlement stance, might affect future product allocations.

Balance of Financial Model Assumptions

Concession Sales, Cost of Concessions – Concession sales per capita at first run theatres average approximately $2.50 nationwide, depending upon the demographic makeup of the target market, and the product offerings of the operators. Based on the historical market data that we have on Lincoln, however, the trade area produced a per capita concession sale of slightly greater than $2.00 in 2003. Therefore a

$2.25 average concession sale was extrapolated due to inflation. A 15%-18% cost of concession items should be anticipated depending upon the mix of sales, and buying power of the operator. Larger chains are able to drive their cost of concessions much lower based on volume purchase discounts, and purchase rebates. Some chains have concession costs that are well below 10%.

Annual Lease Costs Per Square Foot – The rent figure of approximately $1,600,000 was calculated by applying an 11.5% "cap rate" to the "developer's" 70% of the projected costs of the Prarie Lake theatre, and then dividing the result by the projected square feet of the theatre building, which at 80,000 square feet results in a $20.00 per foot rent. This per square foot rent is a bit high for an 80,000 square foot anchor, but unless the developer is willing to subsidize the theatre (which many times does happen), due to its inherent costs and intensive land use, the projected rent is in a realistic range. In order to absorb these very high rent factors, most mega-plex theatres are built with the anticipation of achieving year one admissions of 800,000 to 1,000,000. With this number of admissions required to cover the occupancy costs, and produce a profit, it is easy to understand why most mega-plex theatres are constructed in larger markets, with trade area population draws of 150,000 to 200,000.

Common Area Maintenance Expense (CAM); Real and Personal Property Taxes – Common area maintenance is an estimated cost based on past experience of approximately $2.00 per square feet of building area, which may include some subsidy from the "small shop" tenants. This line item includes the cleaning, sweeping, snow removal, and maintenance of the exterior grounds, and parking lot. The real estate and personal property taxes, are calculated on the current levy within the City of Lincoln, which is $2.0508170 per $100 dollars in assessed value. The declining amount reflects the depreciation (for tax purposes) of the personal property at an accelerated rate of 7 years.

Operating Expenses - The pro-forma operating expenses are based upon our industry knowledge of the costs to operate mega-plex theatres, and include appropriate estimates for labor, repair and maintenance, appropriate service contracts, and estimations of utilities, phone service, etc.

Capital Required to Complete the Project

Construction Costs - Based upon our past experience constructing motion pictures theatres, as well as current trends regarding the cost of construction, we estimate that the per square foot construction costs, to build a theatre upon the proposed site is $130.00 per foot. This estimate assumes a "pad ready" site with utilities stubbed to within 5 feet of the building's "utility" entrance. This cost estimate does not include any cost for rough, or fine grading, pad preparation, parking lot construction, curbs, side walks, or landscaping.

Other Capital Costs - In addition to the $130.00 per square foot for construction, other expense items that will be incurred include: building permits; architectural design fees (including mechanical, structural, plumbing, electrical, and acoustical engineering fees); legal costs; costs for coordination of theatre up-fit between general contractor and equipment installer's; the theatre equipment (FF&E) including screens, frames, drapes & wall coverings, seats, sound systems, projectors, concession stand and equipment, box office mill work, point of sale system, and building signage both interior and exterior). We estimate that the cost of all FF&E items, including signage, to approximate $225,000 per screen. We have included a contingency equal to 5% of the costs of construction. This contingent figure should be budgeted to handle RFI's (requests for information or drawing clarifications), change orders, adverse weather conditions, etc.

Land Cost; Site Work - According to the City of Lincoln's property assessment office, equivalent land in the immediate area surrounding the proposed Prairie Lake site, has been valued in a range of $3.50 per square foot to in excess of $6.50 per foot for smaller, "frontage" parcels. For a large tract to handle a theatre, with access, utilities and zoning, we estimate the value of land at approximately $5.00 per square foot, or $174,240 per acre. This estimate places a value on 15 acres at the proposed site of approximately $3,267,000. A reasonable estimate for site work and site engineering is $100,000 per acre, producing an estimated cost for 15 acres equal to $1,500,000. The estimated grand total cost of the project, including a value for 15 acres of land, the estimated site work, the equipment, signage, soft costs and contingency is $20,792,000, or $1,155,111 per screen.

Financial Model Summary – The financial model is the synthesis of the market demographic research, and combines the projected attendance and projected costs into a single model that can be utilized to make a "go, no go" decision. In most cases, chain retailers look for cash on cash returns that average 20% or more, as there is little residual value at the end of the term in a leased location. In the attached model, based on a twenty year building lease, and an investment of approximately $6,000,000 (FF&E plus architectural and up fit, and leasehold costs), we predict that a theatre operator at Prairie Lake will never achieve a return on investment, and that no prudent theatre operator would build the proposed theatre on the proposed site.

G. Summary & Conclusions

The successful operation of movie theatres is highly dependent upon achieving reasonable volumes of attendance. Once break even attendance is achieved, theatres can prosper into lucrative businesses. Due to the embedded and inelastic cost structure of operating mega-plex theatres (i.e., high fixed costs for labor, occupancy [or debt amortization], utilities and upkeep), if appropriate volumes are not attained, locations may never achieve positive cash flow.

Based on the predicted attendance decline at the Grand 14 due to the opening of a mega-plex at Prairie Lake, it will be difficult if not impossible for the Grand to produce enough profit to cover its estimated debt service, or to produce a return on investment for the operator. An attendance shift to the proposed Prairie Lake Mega-Plex Theatre will cause economic hardship not only to the existing theatres already serving an over screened market, but also to the nearby retail and food establishments relying upon the traffic (business) generated by theatre patrons.

Due to the abundance of screens already serving the Lincoln, NE market, it is unlikely that a prudent theatre operator would incur the economic risk of constructing a mega-plex upon the proposed Prairie Lake site. The trade area population overlap, combined with the sparse population to the southeast, and the proximity to the Edgewood 6 significantly diminish the economic prospects for a theatre at the proposed location.

I:\Downtown\Movie Theater Policy\REPORT\Theatre_Feasibility_Study.wpd

Attachment 1

Current Statistical Model of Lincoln Theatre Market

Location	No. Scrs.Open	2003 Box Office	2003 Box Office Per Screen	2004 Box Office	2004 Box Office Per Screen	Projected 2005 Annual Box Office	Projected Annual Box Office Per Screen	% Box Office Change '04 - '05	Est. Avg Ticket Price	Estimated Annual Attendance	Attendance Per Screen	Imputed Population of Trade Area (Based On Mkt. Attendance)	7 or 10 Minute Drive Time Population	% Capture of Trade Area
East Park 6	6	1,675,191	$279,199	1,713,519	285,587	1,154,000	$192,333	-32.7%	$6.21	185,829	30,972	39,249	117,313	33.5%
Edgewood 6	6	1,275,768	$212,628	1,677,445	279,574	1,341,000	$223,500	-20.1%	$6.21	215,942	35,990	45,609	92,059	49.5%
Southepointe 6	6	2,055,714	$342,619	2,088,612	348,102	1,811,000	$301,833	-13.3%	$6.21	291,626	48,604	61,594	123,248	50.0%
The Grand 14 (opened 11/19/04)	14		N/A	670,016	N/A	3,384,000	$241,714	405.1%	$6.21	544,928	38,923	115,093	194,810	59.1%
Starship 9 ($)	9	461,970	$51,330	447,443	49,716	445,000	$49,444	-0.5%	$2.00	222,500	24,722	39,836	125,028	31.9%
Cinema Twin (Est.) Closed	0	212,534	106,267	223,973	111,987	Closed	N/A	#######		N/A				
Douglas 3(Est.) Closed	0	475,847	158,616	491,185	163,728	Closed	N/A	#######		N/A				
Plaza 4 (Est.) Closed	0	592,633	148,158	469,910	117,478	Closed	N/A	#######		N/A				
Lincoln 3 (Est.) Closed	0	352,640	117,547	0	N/A	N/A	N/A	N/A		N/A				
Media Arts Center 2	2	Unavailabl	N/A	N/A	N/A	N/A	N/A	N/A		N/A				
Totals (or Weighted Avg Where Applicable)	43	$7,102,297	$182,110	$7,782,103	$185,288	$8,135,000	$198,415	4.5%	$5.57	1,460,825	35,630	N/A	N/A	44.8%
Totals or Avgs.(First Run Screens Only)	32	$6,640,327	$221,344	$7,334,660	$244,489	$7,690,000	$240,313	4.8%	$6.21	1,238,325	38,698			48.0%

Attachment 2

2004 Census Update and Existing Theatre Statistics

	2004 U.S. Census Bureau Est. Based on 2000 Census	
Population of Lincoln and Lancaster County (Including Student Population) Trade Area of 839 Sq. Miles	261,545	
Total Estimated Population	261,545	
Total Number of Screens Per Person in Trade Area	6,082	
Screens Per Person in United States as a Whole	8,207	(Source: MPA Market Research)
Excess Screens as a Percentage vs. U.S.	34.93%	
Projected 2004 Box Office Expenditure Per Person in Trade Area	$31.10	
Projected Average Ticket Price	$5.57	
Average 1st Run Admission Price	$6.21	
Annual Estimated Movie Theatre Visits Per Person in Trade Area	5.59	U.S. Avg. 5.23 in 2004 (Source MPA Market Research)
Avg. First Run Visits Per Person in Trade Area	4.73	

Pro-Forma Statistical Model of Lincoln Theatre Market After Addition of Prarie Lake 18

Location	No. Scrs. Open	Existing Annual Attendance	Stabilized Attendance Drop Due to New Construction (1)	Projected Market Attendance Expansion	Projected Annual Attendance Post Prairie Lake	Projected Annual Attendance Per Screen	Projected Annual Box Office Revenues Post Prairie Lake	Projected Annual Box Office Per Screen	Est. Average Ticket Price	Imputed Trade Area Based on Attendance at 1st Run Theatres	7 or 10 Minute Drive Time Population	% Capture of Trade Area	Trade Area Overlap W/ Proposed Site	% Overlap	15 Minute Population Sample	Population Overlap	% Overlap
East Park 6	6	185,829	-15.0%		157,955	26,326	1,010,911	$168,485	$6.40	31,729	117,313	27.0%	37,076	31.6%			
Edgewood 6	6	215,942	-50.0%		107,971	17,995	691,014	$115,169	$6.40	21,689	92,059	23.6%	79,912	86.8%			
Southepointe 6	6	291,626	-25.0%		218,720	36,453	1,399,807	$233,301	$6.40	43,935	117,852	37.3%	107,282	91.0%			
The Grand 14 (opened 11/19/04)	14	544,928	-25.0%		408,696	29,193	2,615,652	$186,832	$6.40	82,096	194,810	42.1%	72,410	37.2%	247,308	194,809	78.8%
Starship 9 ($)	9	222,500	N/A		222,500	24,722	222,500	$24,722	$2.00	38,294	125,028	30.6%					
Cinema Twin (Est.) Closed	0	Closed	N/A					N/A									
Douglas 3(Est.) Closed	0	Closed	N/A					N/A									
Plaza 4 (Est.) CL	0	Closed	N/A					N/A									
Lincoln 3 (Est.) CL	0	N/A	N/A					N/A									
Media Arts Cent	N/A	N/A	N/A					N/A									
Proposed Prarie Lake 18	18	Att. Transfer:	344,984	92,874	437,858	24,325	2,802,293	$155,683	$6.40	87,954	87,349	100.7%			196,111		
Totals (or Weighted Avg. Where Applicable)	59	1,460,825			1,553,700	26,334	$8,742,178	$26,334	$5.63	267,404	N/A	32.1%					
Totals or Avgs.(First Run Screens Only)	50	1,238,325			1,331,200	26,624	$8,519,678	$26,624	$6.40			32.5%					

2006 Census Update W/ Growth Applied & Projected Theatre Statistics

	2004 U.S. Census Bureau Est. Based on 2000 Census	
Population of Lincoln and Lancaster County (Including Student Population) Trade Area of 839 Sq. Miles	261,545	
Annual Growth Rate 2001-2004	1.12%	
Total Estimated Population in 2006 (2.24% increase over 2004)	267,404	
Number of Screens Per Person in Trade Area	4,532	
Screens Per Person in United States as a Whole	8,207	(Source: 2004 MPA Market Research)
Excess Screens as a Percentage vs. U.S.	81.08%	
Number of First Run Screens Per Person in Trade Area	5,348	
Projected Box Office Expenditure Per Person in Trade Area	$32.69	
Projected Average Ticket Price	$5.63	
Average 1st Run Admission Price	$6.40	
Annual Estimated Movie Theatre Visits Per Person in Trade Area	5.81	U.S. Avg. 5.23 in 2004 (Source MPA Market Research)
Avg. First Run Visits Per Person in Trade Area	4.98	

Prairie Lake 18
Lincoln, NE
Likely Case

Summary Attendance, Financial Model Prairie Lake 18
PRO-FORMA SUMMARY OPERATING RESULTS

Assumptions	Year 1		Year 2		Year 3		Year 4		Year 5	
Projected Annual Admissions	437,858		446,615		451,081		451,081		451,081	
REVENUES										
Box Office Sales (Net of tax if any)	2,802,291	72.6%	2,944,087	76.3%	3,062,734	79.4%	3,154,616	81.7%	3,249,254	84.2%
Concession Sales (net)	985,181	25.5%	1,027,215	26.6%	1,060,041	27.5%	1,082,595	28.1%	1,105,149	28.6%
Miscellaneous (Scr. Advertising, Rentals, Video Games, etc.)	72,000	1.9%	74,160	1.9%	76,385	2.0%	78,676	2.0%	81,037	2.1%
TOTAL REVENUES	3,859,472	100.0%	4,045,462	100.0%	4,199,160	100.0%	4,315,887	100.0%	4,435,440	100.0%
COST OF SALES										
Total Cost of Film & Concessions	1,634,524	42.4%	1,715,824	42.4%	1,783,429	42.5%	1,835,267	42.5%	1,888,539	42.6%
Gross Profit	2,224,948	57.6%	2,329,638	57.6%	2,415,731	57.5%	2,480,620	57.5%	2,546,901	57.4%
OPERATING EXPENSES										
Operating Expenses	1,017,516	26.4%	1,042,048	25.8%	1,069,457	25.5%	1,096,805	25.4%	1,129,874	25.5%
Start-Up Pre-Opening Expenses - Mktg	135,000	3.5%	5,500	0.1%	5,665	0.1%	5,835	0.1%	6,010	0.1%
CAM	160,000	4.1%	160,000	4.0%	160,000	3.8%	160,000	3.7%	160,000	3.6%
Real Estate & Pers. Property Taxes	200,000	5.2%	414,529	10.2%	402,651	9.6%	390,807	9.1%	378,944	8.5%
Utilities	135,082	3.5%	141,591	3.5%	146,971	3.5%	151,056	3.5%	155,240	3.5%
Total Expenses Before Occupancy	1,647,597	42.7%	1,763,667	43.6%	1,784,744	42.5%	1,804,503	41.8%	1,830,068	41.3%
Operating Profit Before Occupancy	577,350	15.0%	565,971	14.0%	630,987	15.0%	676,117	15.7%	716,833	16.2%
Target Rent	1,673,756	43.4%	1,673,756	41.4%	1,673,756	39.9%	1,673,756	38.8%	1,673,756	37.7%
Profit (Loss) After Occupancy Costs	-1,096,406	-28.4%	-1,107,785	-27.4%	-1,042,769	-24.8%	-997,639	-23.1%	-956,923	-21.6%

Capital Costs 18 Screens

Ad Valorem and Pers. Property Tax Calculation

Attachment 6

Build To Suit Lease Hypothetical Return Analysis

Assumptions

Estimated Construction Costs P.S.F:	$130.00
---Constr. Costs	10,400,000
Soft Costs P.S.F. (Architects, MEP&A Consultants, Development Fees, etc.)	$5.00
Equipment Costs Per Screen (FF& E)	$225,000
Square Feet of Improvements:	80,000

	Real Property	Pers. Property	
Total Value	16,742,000	4,050,000	
Tax Rate	2.050817	2.050817	
Proj. Taxes	343,348	83,058	(REDUCING OVER 7 YEARS TO 0
Proj. Fully Assessed Taxes		426,406	
Per Square Foot Fully Assessed			$5.33
Year 2		414,529	$5.18
Year 3		402,651	$5.03
Year 4		390,807	$4.89
Year 5		378,944	$4.74

Total Estimated Capital Costs	
Land (15 Acres Est. @ $5.00 p.f.)	3,267,000
Site Work	1,500,000
Building - Total Construction Costs	10,400,000
Building - Signage (In FF&E Budget)	200,000
Building - Casework (In FF&E Budget	100,000
Building - HVAC (In Constr. Est.)	0
Building - Upfit (Co-ordination bet. GC/ Theatre Operator)	150,000
Permits (Estimate)	30,000
Other	0
Soft Costs (Architectural, Etc.)	400,000
Legal	25,000
Equipment	4,050,000
Grand Opening Marketing	150,000
Contingency (5% of Constr. Costs)	520,000
Total Project Cost	20,792,000
Total Investment	20,792,000
Less Public Sector Investment	0
Net Private Sector Investment	20,792,000

Typical Build to Suit Capital Structure	
Developer 70% of Costs:	14,554,400
Tenant 30% of Costs:	6,237,600
Target Rent (11.5% of Dev. Inv.):	1,673,756
Rent Per Square Foot	$20.92
Equity Required from Theatre Tenant	2,187,600

Developer Return Analysis	
Year 0	-14,554,400
Year 1 (assume 5% accel. every 5th y	1,673,756
Year 2	1,673,756
Year 3	1,673,756
Year 4	1,673,756
Year 5	1,673,756
Year 6	1,757,444
Year 7	1,757,444
Year 8	1,757,444
Year 9	1,757,444
Year 10	1,757,444
Year 11	1,889,252
Year 12	1,889,252
Year 13	1,889,252
Year 14	1,889,252
Year 15	1,889,252
Year 16	1,983,715
Year 17	1,983,715
Year 18	1,983,715
Year 19	1,983,715
Year 20	1,983,715
Residual Value	5,000,000.0

Average Return on Investment	12.55%
IRR	11.03%
Payback (Cash on Cash)	7.96

Summary Attendance, Financial Model Grand 14
PRO-FORMA SUMMARY OPERATING RESULTS

Grand 14
Lincoln, NE

Cannibalized Attendance	Year 1 Effected		Year 2		Year 3		Year 4		Year 5	
Assumptions										
Projected Annual Admissions	338,400		372,240		372,240		372,240		372,240	
REVENUES										
Box Office Sales (Net of tax if any)	2,165,760	72.6%	2,453,806	72.9%	2,527,420	73.0%	2,603,243	73.2%	2,681,340	73.3%
Concession Sales (net)	761,400	25.5%	856,152	25.4%	874,764	25.3%	893,376	25.1%	911,988	24.9%
Miscellaneous (Scr. Advertising, Rentals, Video Games, etc.)	56,000	1.9%	57,680	1.7%	59,410	1.7%	61,193	1.7%	63,028	1.7%
TOTAL REVENUES	2,983,160	100.0%	3,367,638	100.0%	3,461,595	100.0%	3,557,812	100.0%	3,656,357	100.0%
COST OF SALES										
Total Cost of Film & Concessions	1,263,247	42.3%	1,430,087	42.5%	1,471,716	42.5%	1,514,494	42.6%	1,558,455	42.6%
Gross Profit	1,719,913	57.7%	1,937,552	57.5%	1,989,879	57.5%	2,043,318	57.4%	2,097,902	57.4%
OPERATING EXPENSES										
Operating Expenses	1,003,655	33.6%	1,034,093	30.7%	1,059,917	30.6%	1,086,409	30.5%	1,118,586	30.6%
Start-Up Pre-Opening Expenses - Mktg	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
CAM	134,900	4.5%	134,900	4.0%	134,900	3.9%	134,900	3.8%	134,900	3.7%
Real Estate & Pers. Property Taxes	300,776	10.1%	291,539	8.7%	282,320	8.2%	273,089	7.7%	263,857	7.2%
Utilities	104,411	3.5%	117,867	3.5%	121,156	3.5%	124,523	3.5%	127,972	3.5%
Total Expenses Before Occupancy	1,543,742	51.7%	1,578,398	46.9%	1,598,293	46.2%	1,618,921	45.5%	1,645,316	45.0%
Operating Profit Before Occupancy	176,171	5.9%	359,153	10.7%	391,586	11.3%	424,397	11.9%	452,586	12.4%
Estimated Loan Amortization	827,599	27.7%	827,599	24.6%	827,599	23.9%	827,599	23.3%	827,599	22.6%
Cash Flow (Loss) After Loan Amort.	-651,428	-21.8%	-468,446	-13.9%	-436,013	-12.6%	-403,202	-11.3%	-375,013	-10.3%

Estimated Capital Costs for The Grand 14

Attachment 8

Fee Development by Theatre Company

Assumptions	
Estimated Construction Costs P.S.F:	$130.00
---Constr. Costs	8,768,500
Soft Costs P.S.F. (Architects, MEP&A Consultants, Development Fees, etc.)	$6.00
Equipment Costs Per Screen (FF& E):	$225,000
Square Feet of Improvements:	67,450

Total Estimated Capital Costs	
Land	1,400,000
Site Work	700,000
Building - Total Construction Costs	8,768,500
Building - Signage (In FF&E Budget)	0
Building - Casework (In FF&E Budget)	0
Building - HVAC (In Constr. Est.)	0
Building - Upfit (Co-ordination bet. GC/ Theatre Operator)	200,000
Permits (Estimate)	30,000
Other	0
Soft Costs (Architectural, Etc.)	404,700
Legal	25,000
Equipment	3,150,000
Grand Opening Marketing	0
Contingency (5% of Constr. Costs)	438,425
Total Project Cost	15,116,625

Total Investment	15,116,625
Less Public Sector Investment	-4,000,000
Net Private Sector Investment	11,116,625

Typical Build to Suit Capital Structure	
Operator Finance 70% of Costs:	7,781,638
Equity Requirement 30% of Costs:	3,334,988

Theatre Operator Loan	7,781,638
Annual Note Payment (15 yrs. @ 6.5%)	827,599

Cash Flow Return Analysis	
Year 0	-11,116,625
Year 1	172,401
Year 2	346,401
Year 3	-651,428
Year 4	-468,446
Year 5	-436,013
Year 6	-403,202
Year 7	-375,013
Year 8	-375,013
Year 9	-375,013
Year 10	-375,013
Year 11	-384,388
Year 12	-384,388
Year 13	-384,388
Year 14	-384,388
Year 15	-384,388
Year 16	1,257,556
Year 17	1,194,678
Year 18	1,075,210
Year 19	1,021,450
Year 20	817,160
Residual Value	4,000,000.0

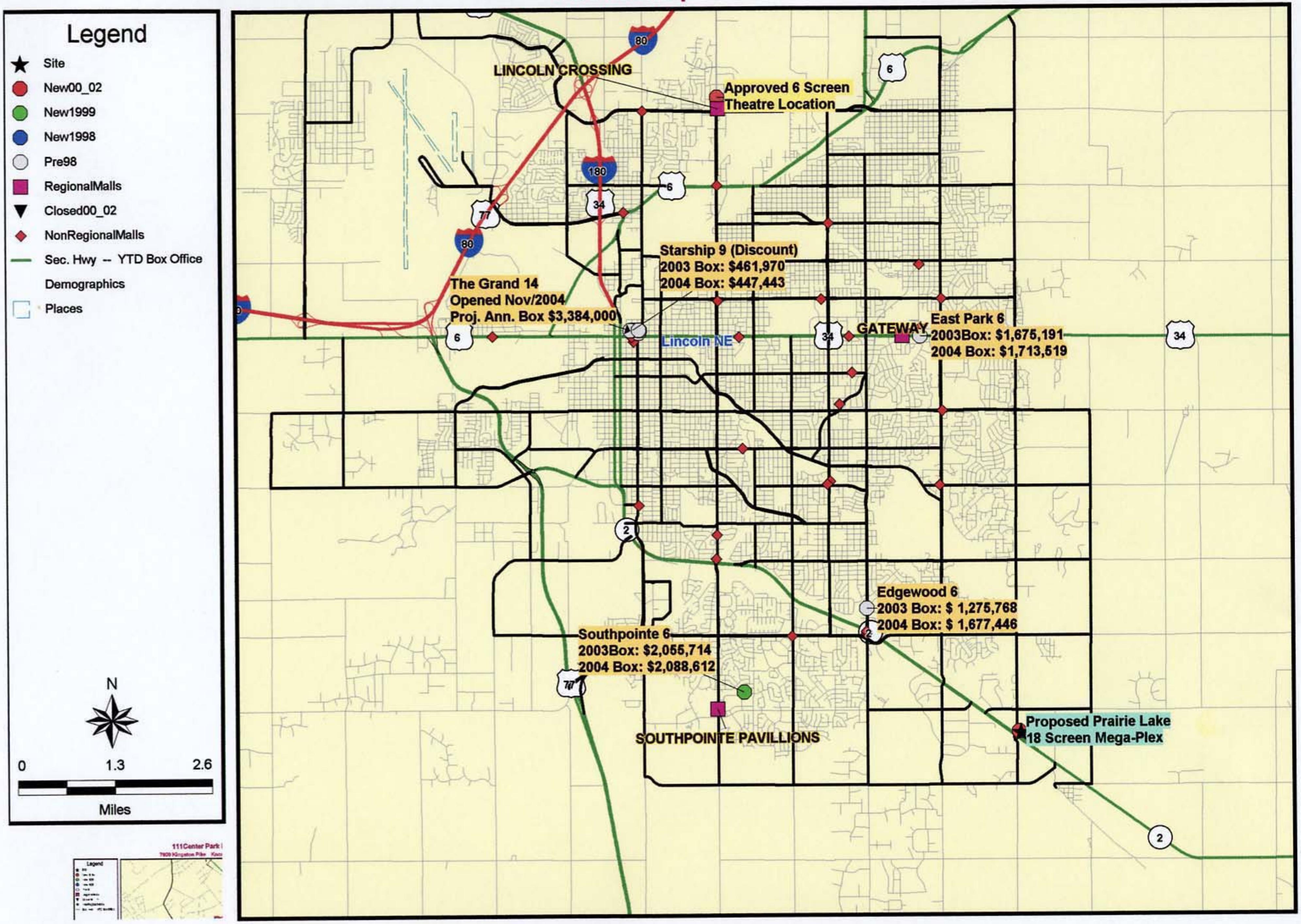
Average Return on Investment	0.32%
IRR	-3.28%

Ad Valorem and Pers. Property Tax Calculation

	Real Property	Pers. Property		
Total Value	11,966,625	3,150,000		
Tax Rate	2.050817	2.050817		
Proj. Taxes	245,414	64,601	(REDUCING OVER 7 YEARS TO 0)	
Proj. Fully Assessed Taxes		310,014		
Per Square Foot Fully Assessed				$4.60
Year 2		300,776		$4.46
Year 3		291,539		$4.32
Year 4		282,320		$4.19
Year 5		273,089		$4.05
		263,857		$3.91

Attachment 9

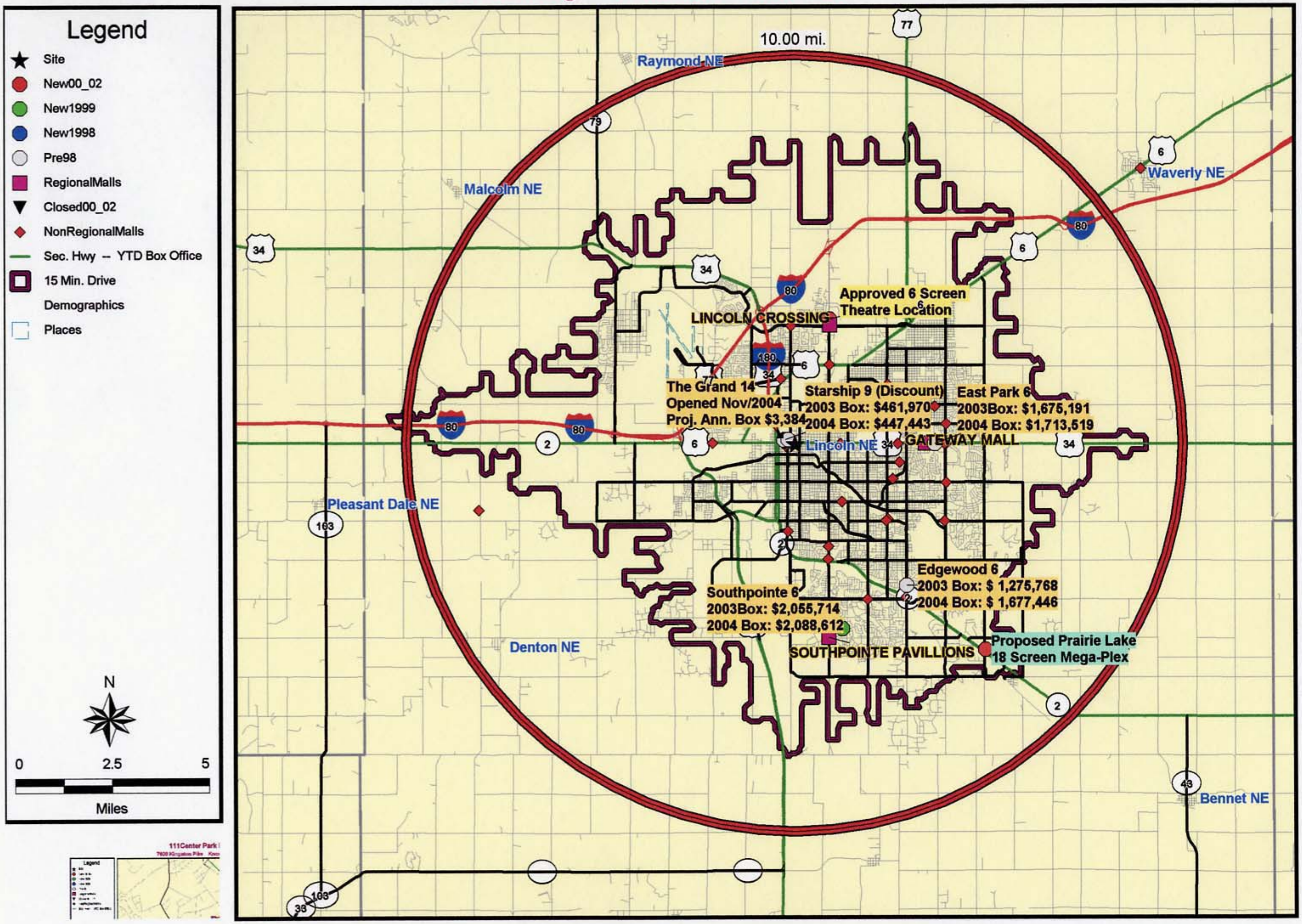
Lincoln, Nebraska
Theatre Map



Attachment 10

Lincoln, Nebraska

10 Mile Ring 15 Minute Trade Area



R-T Associates
Site Report
by Census 2000 Block Group

Site:	Lincoln, Nebraska	Site Coordinates:	
	10 Mile Radius	Longitude/X:	-96.698907
	From The Center of Town	Latitude/Y:	40.813426

	10.00 MILE RING 313.96 sq/mi
POPULATION	
2006 Total Proj. Population	255,198
2001 Total Est. Population	239,074
2001-2006 Change	16,125
2001-2006 Pop. Growth	6.74%
2001 HOUSEHOLD INCOME	
% Households by income <$25,000	27.53%
% Households by income $25,000 - $35,000	12.80%
% Households by income $35,000 - $45,000	12.05%
% Households by income $45,000 - $55,000	10.38%
% Households by income $55,000 - $75,000	15.34%
% Households by income $75,000 - $100,000	10.41%
% Households by income $100,000 - $125,000	5.16%
% Households by income $125,000 - $150,000	2.51%
% Households by income $150,000 - $250,000	2.85%
% Households by income $250,000 - $500,000	.97%
% Households by income $500,000+	.21%
Median Household Income	$44,800
Average Household Income	$56,027
2001 DISPOSABLE HOUSEHOLD INCOME	
% Disposable HH income <$25,000	36.62%
% Disposable HH income $25,000 - $35,000	16.31%
% Disposable HH income $35,000 - $50,000	18.07%
% Disposable HH income $50,000 - $75,000	19.07%
% Disposable HH income $75,000 - $100,000	6.29%
% Disposable HH income $100,000 - $150,000	2.17%
% Disposable HH income $150,000+	1.48%
2001 POPULATION BY RACE/AGE	
% White Population	89.14%
% Asian Population	3.26%
% Hispanic Population	3.67%
% Black Population	3.08%
% Mixed Race Population	1.94%
% Other Population	1.87%
2001 Median Age	33.7
2001 Average Age	34.8

Data Source: ESRI Business Systems

Attachment 12

R-T Associates
Site Report
by Census 2000 Block Group

Site:	Lincoln, Nebraska	Site Coordinates:	
	15 Minute Drive Time Area	Longitude/X:	-96.698907
	From Center of Town	Latitude/Y:	40.813426

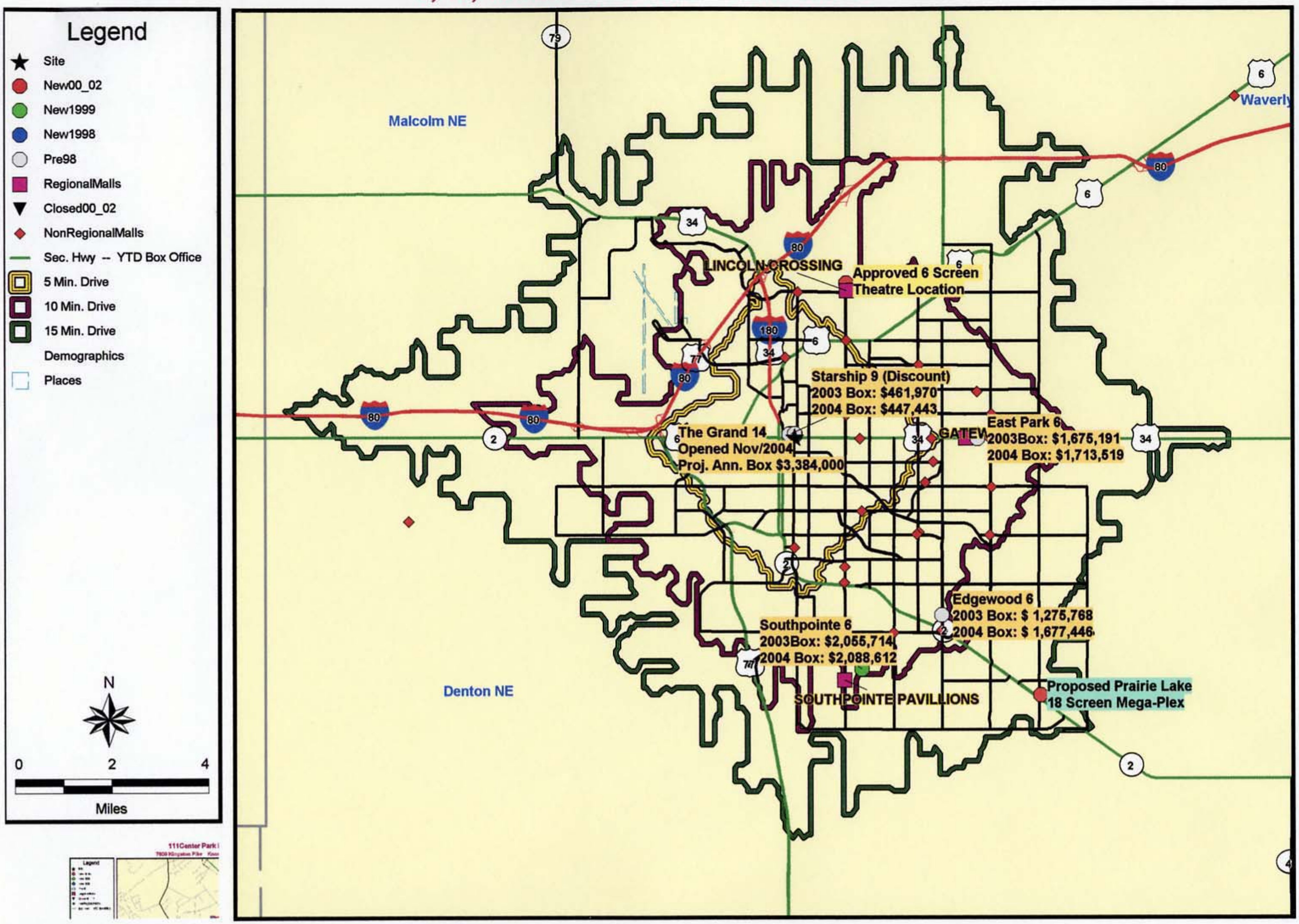
	DRIVE TIME 15 min.
POPULATION	
2006 Total Proj. Population	247,125
2001 Total Est. Population	231,739
2001-2006 Change	15,386
2001-2006 Pop. Growth	6.64%
2001 HOUSEHOLD INCOME	
% Households by income <$25,000	27.84%
% Households by income $25,000 - $35,000	12.87%
% Households by income $35,000 - $45,000	12.10%
% Households by income $45,000 - $55,000	10.35%
% Households by income $55,000 - $75,000	15.22%
% Households by income $75,000 - $100,000	10.27%
% Households by income $100,000 - $125,000	5.09%
% Households by income $125,000 - $150,000	2.49%
% Households by income $150,000 - $250,000	2.82%
% Households by income $250,000 - $500,000	.96%
% Households by income $500,000+	.19%
Median Household Income	$44,406
Average Household Income	$55,646
2001 DISPOSABLE HOUSEHOLD INCOME	
% Disposable HH income <$25,000	36.97%
% Disposable HH income $25,000 - $35,000	16.34%
% Disposable HH income $35,000 - $50,000	18.00%
% Disposable HH income $50,000 - $75,000	18.87%
% Disposable HH income $75,000 - $100,000	6.21%
% Disposable HH income $100,000 - $150,000	2.15%
% Disposable HH income $150,000+	1.46%
2001 POPULATION BY RACE/AGE	
% White Population	88.92%
% Asian Population	3.34%
% Hispanic Population	3.74%
% Black Population	3.14%
% Mixed Race Population	1.96%
% Other Population	1.91%
2001 Median Age	33.5
2001 Average Age	34.8

Data Source: ESRI Business Systems

Attachment 13

The Grand 14

5, 10, 15 Min. Drive Time   Trade Areas



R-T Associates
Site Report
by Census 2000 Block Group

Site:	The Grand 14	Site Coordinates:	
	Drive Time Population Sample	Longitude/X:	-96.704778
	Moderate Traffic	Latitude/Y:	40.814126

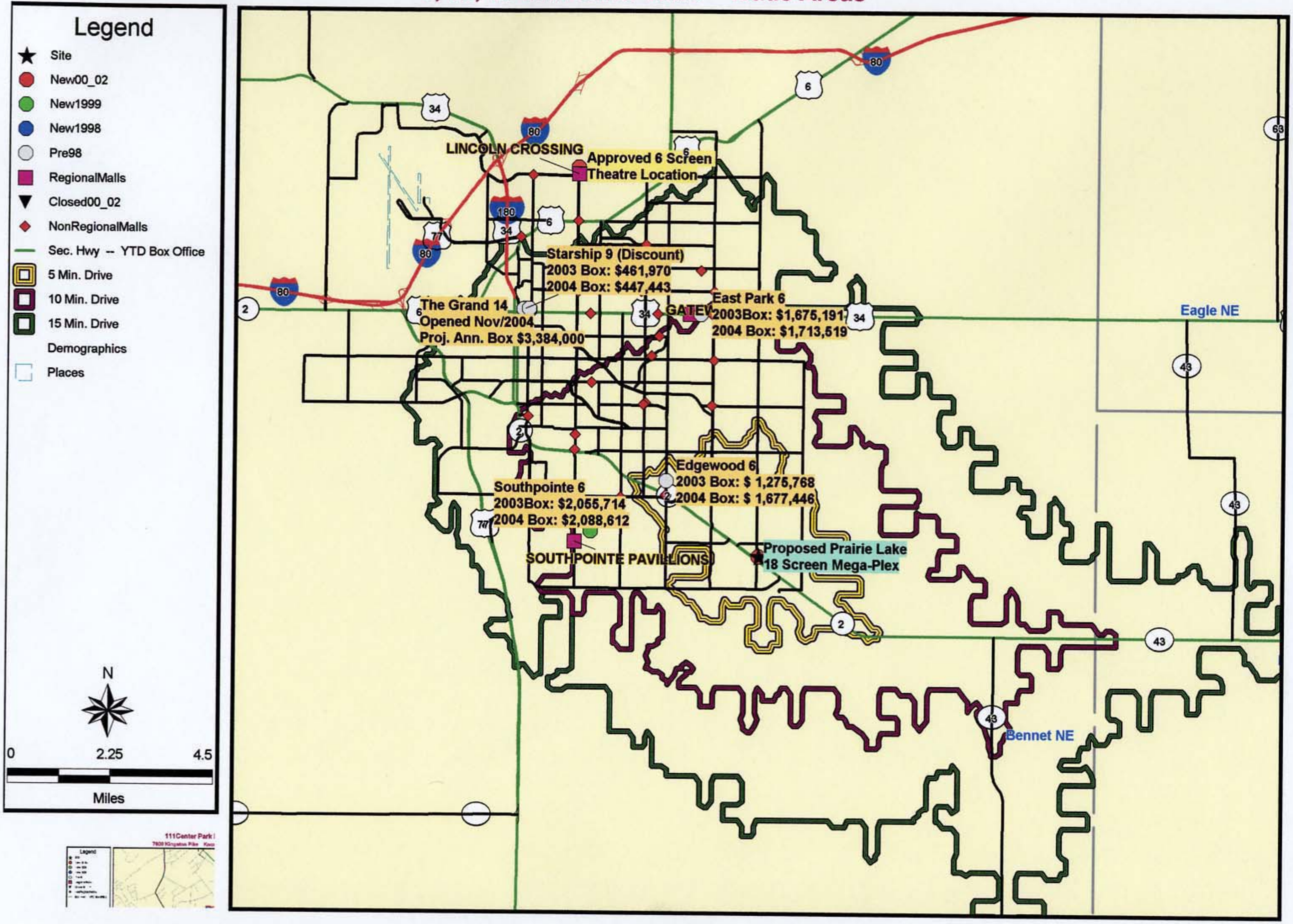
	DRIVE TIME 5 min.	DRIVE TIME 10 min.	DRIVE TIME 15 min.
POPULATION			
2006 Total Proj. Population	83,936	198,389	247,308
2001 Total Est. Population	79,908	188,181	231,906
2001-2006 Change	4,028	10,208	15,401
2001-2006 Pop. Growth	5.04%	5.42%	6.64%
2001 HOUSEHOLD INCOME			
% Households by income <$25,000	40.23%	30.39%	27.84%
% Households by income $25,000 - $35,000	14.23%	13.32%	12.87%
% Households by income $35,000 - $45,000	12.25%	12.37%	12.10%
% Households by income $45,000 - $55,000	8.77%	10.20%	10.35%
% Households by income $55,000 - $75,000	11.77%	14.41%	15.22%
% Households by income $75,000 - $100,000	6.49%	9.31%	10.28%
% Households by income $100,000 - $125,000	2.86%	4.48%	5.09%
% Households by income $125,000 - $150,000	1.42%	2.19%	2.49%
% Households by income $150,000 - $250,000	1.44%	2.46%	2.81%
% Households by income $250,000 - $500,000	.54%	.87%	.96%
% Households by income $500,000+	.06%	.14%	.19%
Median Household Income	$32,255	$41,278	$44,411
Average Household Income	$42,400	$52,110	$55,641
2001 DISPOSABLE HOUSEHOLD INCOME			
% Disposable HH income <$25,000	50.34%	39.81%	36.97%
% Disposable HH income $25,000 - $35,000	16.04%	16.62%	16.34%
% Disposable HH income $35,000 - $50,000	15.21%	17.51%	18.00%
% Disposable HH income $50,000 - $75,000	12.98%	17.42%	18.88%
% Disposable HH income $75,000 - $100,000	3.56%	5.45%	6.21%
% Disposable HH income $100,000 - $150,000	1.13%	1.91%	2.14%
% Disposable HH income $150,000+	.73%	1.28%	1.46%
2001 POPULATION BY RACE/AGE			
% White Population	82.38%	87.86%	88.92%
% Asian Population	5.07%	3.64%	3.34%
% Hispanic Population	6.13%	4.12%	3.74%
% Black Population	5.07%	3.46%	3.14%
% Mixed Race Population	2.96%	2.13%	1.96%
% Other Population	3.33%	2.12%	1.91%
2001 Median Age	29.2	32.9	33.5
2001 Average Age	32.0	34.8	34.8

Data Source: ESRI Business Systems

Attachment 15

Proposed Prairie Lake 18

5, 10, 15 Min. Drive Time   Trade Areas



Attachment 16

R-T Associates
Site Report
by Census 2000 Block Group

Site:	Prairie Lake Theatre Site	Site Coordinates:	
	5, 10, 15 Minute Demographics	Longitude/X:	-96.604196
	Based on "Moderate" Traffic	Latitude/Y:	40.735767

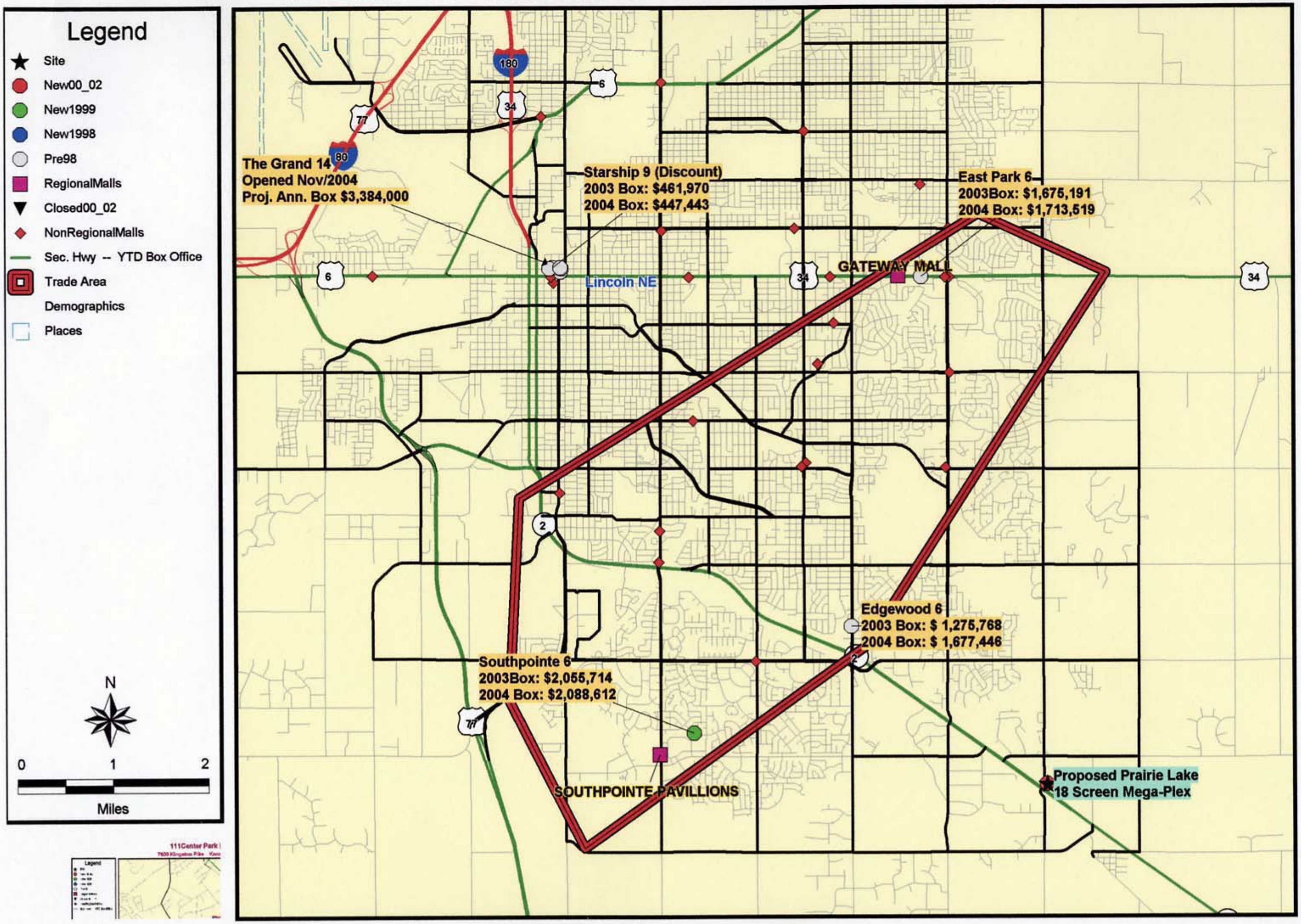
	DRIVE TIME 5 min.	DRIVE TIME 10 min.	DRIVE TIME 15 min.
POPULATION			
2006 Total Proj. Population	9,905	87,349	196,111
2001 Total Est. Population	9,095	81,537	185,756
2001-2006 Change	810	5,812	10,354
2001-2006 Pop. Growth	8.91%	7.13%	5.57%
2001 HOUSEHOLD INCOME			
% Households by income <$25,000	10.89%	15.60%	27.19%
% Households by income $25,000 - $35,000	9.70%	10.84%	12.52%
% Households by income $35,000 - $45,000	9.47%	11.34%	11.83%
% Households by income $45,000 - $55,000	10.85%	11.18%	10.18%
% Households by income $55,000 - $75,000	21.20%	18.20%	15.19%
% Households by income $75,000 - $100,000	17.20%	14.42%	10.63%
% Households by income $100,000 - $125,000	9.85%	7.98%	5.54%
% Households by income $125,000 - $150,000	4.01%	4.05%	2.73%
% Households by income $150,000 - $250,000	5.47%	4.80%	3.12%
% Households by income $250,000 - $500,000	1.36%	1.59%	1.07%
% Households by income $500,000+	.80%	.41%	.24%
Median Household Income	$62,954	$57,460	$45,473
Average Household Income	$75,270	$71,674	$57,478
2001 DISPOSABLE HOUSEHOLD INCOME			
% Disposable HH income <$25,000	17.92%	23.24%	36.04%
% Disposable HH income $25,000 - $35,000	13.77%	15.83%	16.06%
% Disposable HH income $35,000 - $50,000	21.26%	19.98%	17.84%
% Disposable HH income $50,000 - $75,000	29.10%	24.96%	19.28%
% Disposable HH income $75,000 - $100,000	11.55%	9.85%	6.78%
% Disposable HH income $100,000 - $150,000	3.69%	3.62%	2.38%
% Disposable HH income $150,000+	2.71%	2.51%	1.62%
2001 POPULATION BY RACE/AGE			
% White Population	95.06%	94.27%	89.57%
% Asian Population	2.28%	2.08%	3.15%
% Hispanic Population	1.55%	1.86%	3.60%
% Black Population	.81%	1.48%	2.97%
% Mixed Race Population	.91%	1.07%	1.83%
% Other Population	.79%	.84%	1.84%
2001 Median Age	38.8	38.3	34.6
2001 Average Age	36.2	37.5	35.5

Data Source: ESRI Business Systems

Attachment 17

Lincoln, Nebraska

The Grand 14 & Prairie Lake 18   10 Minute Trade Area Overlap



Attachment 18

R-T Associates
Site Report
by Census 2000 Block Group

Site:	10 Minute Drive Time Overlap	Site Coordinates:	
	Moderate Traffic	Longitude/X:	-96.604076
	Lincoln, NE	Latitude/Y:	40.735781

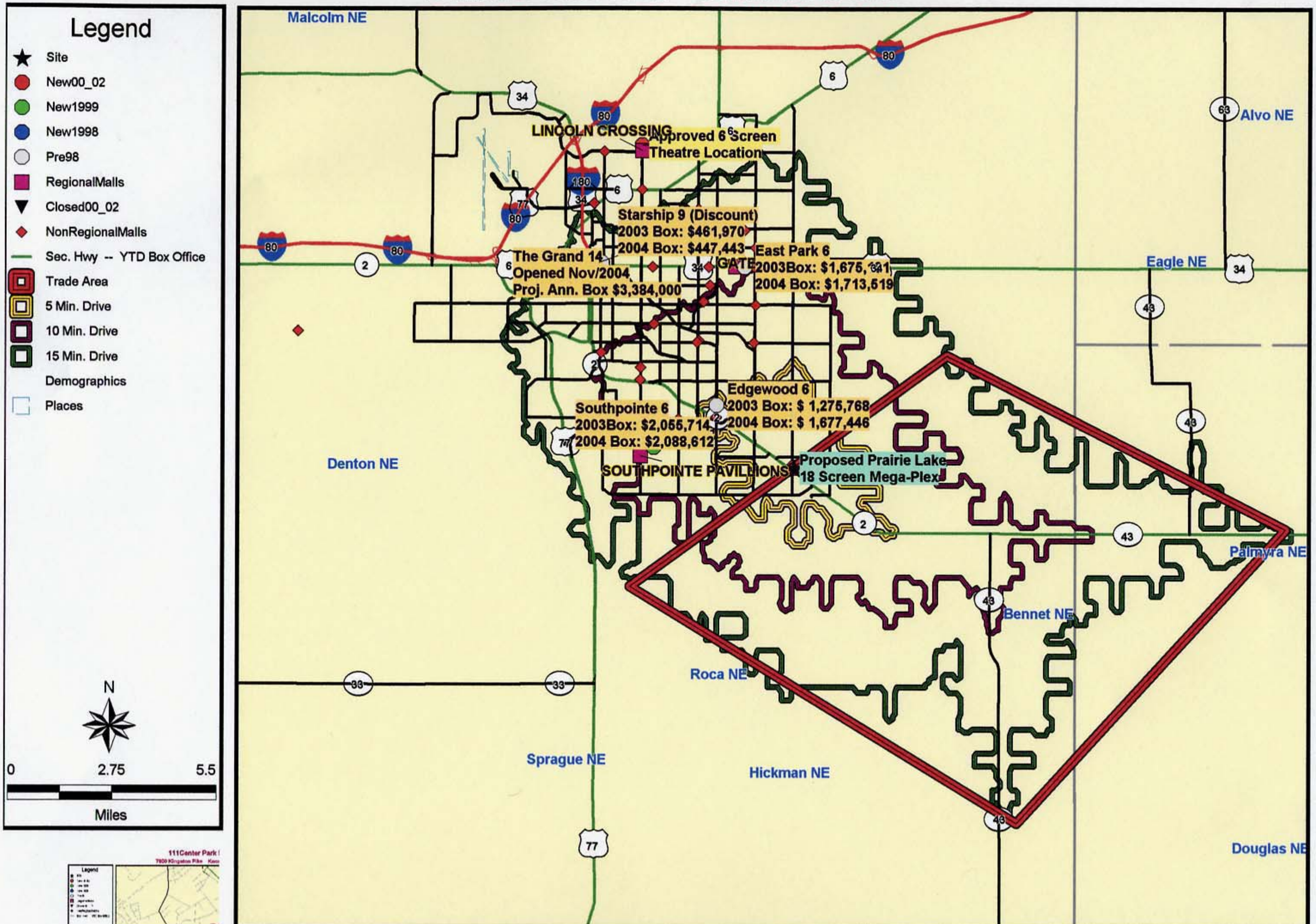
	TRADE AREA 17.7473 sq/mi
POPULATION	
2006 Total Proj. Population	72,410
2001 Total Est. Population	68,663
2001-2006 Change	3,747
2001-2006 Pop. Growth	5.46%
2001 HOUSEHOLD INCOME	
% Households by income <$25,000	17.00%
% Households by income $25,000 - $35,000	11.46%
% Households by income $35,000 - $45,000	11.87%
% Households by income $45,000 - $55,000	11.47%
% Households by income $55,000 - $75,000	17.66%
% Households by income $75,000 - $100,000	13.44%
% Households by income $100,000 - $125,000	7.33%
% Households by income $125,000 - $150,000	3.77%
% Households by income $150,000 - $250,000	4.48%
% Households by income $250,000 - $500,000	1.52%
% Households by income $500,000+	.32%
Median Household Income	$54,943
Average Household Income	$69,039
2001 DISPOSABLE HOUSEHOLD INCOME	
% Disposable HH income <$25,000	25.02%
% Disposable HH income $25,000 - $35,000	16.62%
% Disposable HH income $35,000 - $50,000	19.89%
% Disposable HH income $50,000 - $75,000	23.61%
% Disposable HH income $75,000 - $100,000	9.06%
% Disposable HH income $100,000 - $150,000	3.45%
% Disposable HH income $150,000+	2.36%
2001 POPULATION BY RACE/AGE	
% White Population	94.19%
% Asian Population	1.99%
% Hispanic Population	1.96%
% Black Population	1.51%
% Mixed Race Population	1.15%
% Other Population	.88%
2001 Median Age	38.4
2001 Average Age	38.2

Data Source: ESRI Business Systems

Attachment 19

Proposed Prairie Lake 18

15 Minute Trade Area Southeast of Site



R-T Associates
Site Report
by Census 2000 Block Group

Site: Proposed Prairie Lake 18
15 Min. Drive Time Trade Area
Southeast of Site

Site Coordinates:
Longitude/X: -96.604884
Latitude/Y: 40.736483

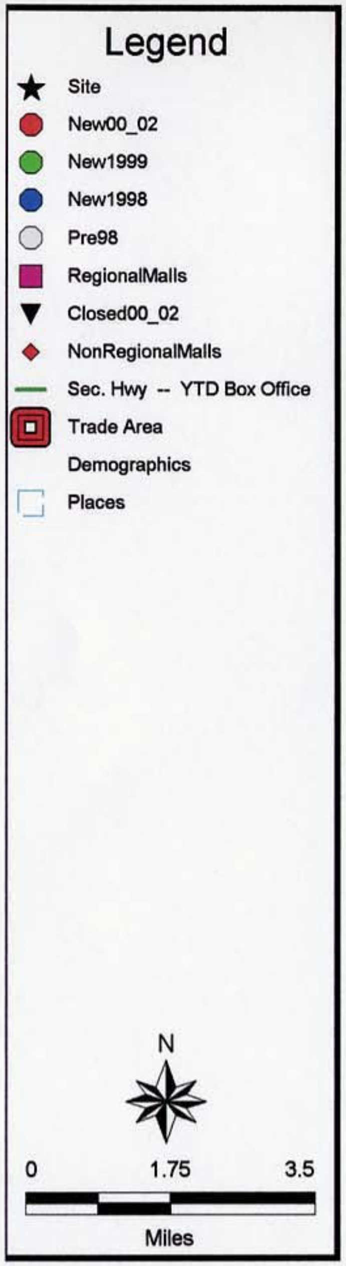
	TRADE AREA 107.94 sq/mi
POPULATION	
2006 Total Proj. Population	4,575
2001 Total Est. Population	4,191
2001-2006 Change	383
2001-2006 Pop. Growth	9.15%
2001 HOUSEHOLD INCOME	
% Households by income <$25,000	18.14%
% Households by income $25,000 - $35,000	12.84%
% Households by income $35,000 - $45,000	11.86%
% Households by income $45,000 - $55,000	11.47%
% Households by income $55,000 - $75,000	18.35%
% Households by income $75,000 - $100,000	14.62%
% Households by income $100,000 - $125,000	6.66%
% Households by income $125,000 - $150,000	2.87%
% Households by income $150,000 - $250,000	2.03%
% Households by income $250,000 - $500,000	1.16%
% Households by income $500,000+	.58%
Median Household Income	$52,983
Average Household Income	$62,006
2001 DISPOSABLE HOUSEHOLD INCOME	
% Disposable HH income <$25,000	27.89%
% Disposable HH income $25,000 - $35,000	16.63%
% Disposable HH income $35,000 - $50,000	19.97%
% Disposable HH income $50,000 - $75,000	24.68%
% Disposable HH income $75,000 - $100,000	7.87%
% Disposable HH income $100,000 - $150,000	1.85%
% Disposable HH income $150,000+	1.12%
2001 POPULATION BY RACE/AGE	
% White Population	97.60%
% Asian Population	.62%
% Hispanic Population	1.06%
% Black Population	.37%
% Mixed Race Population	.79%
% Other Population	.52%
2001 Median Age	40.1
2001 Average Age	37.2

Data Source: ESRI Business Systems

Attachment 21

Proposed Prairie Lake 18

5, 7 Mile Radius 1/2 of Southeastern Portion Of 7 Mi



Attachment 22

R-T Associates
Site Report
by Census 2000 Block Group

Site:	Proposed Prairie Lake 18	Site Coordinates:	
	5 & 7 Mile Radius	Longitude/X:	-96.605281
		Latitude/Y:	40.736662

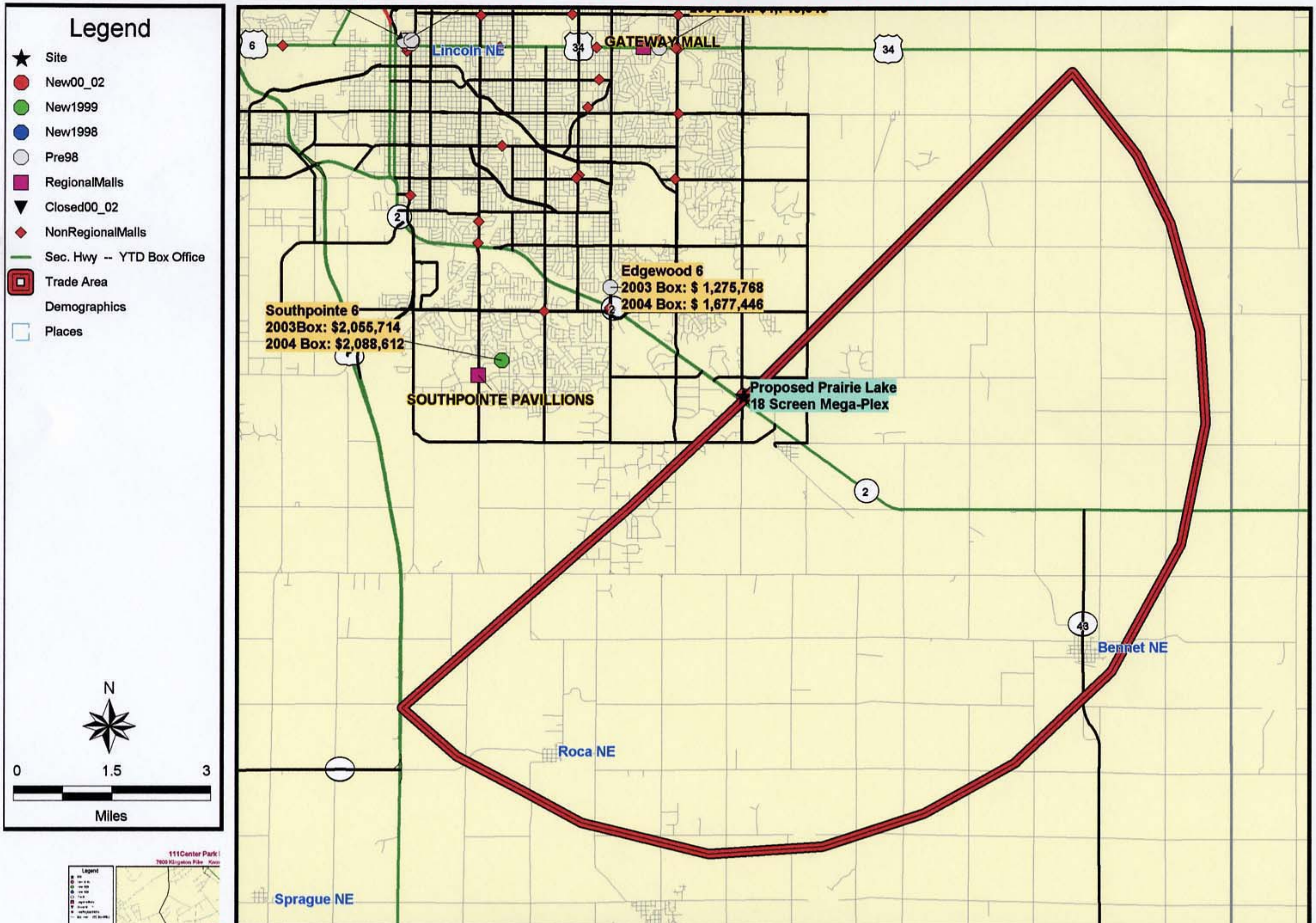
	5.00 MILE RING 78.49 sq/mi	7.00 MILE RING 153.84 sq/mi
POPULATION		
2006 Total Proj. Population	79,317	157,242
2001 Total Est. Population	73,234	148,928
2001-2006 Change	6,083	8,313
2001-2006 Pop. Growth	8.31%	5.58%
2001 HOUSEHOLD INCOME		
% Households by income <$25,000	14.67%	24.78%
% Households by income $25,000 - $35,000	10.53%	12.15%
% Households by income $35,000 - $45,000	11.20%	11.82%
% Households by income $45,000 - $55,000	10.99%	10.49%
% Households by income $55,000 - $75,000	18.31%	15.78%
% Households by income $75,000 - $100,000	14.84%	11.28%
% Households by income $100,000 - $125,000	8.33%	6.07%
% Households by income $125,000 - $150,000	4.27%	2.97%
% Households by income $150,000 - $250,000	5.19%	3.48%
% Households by income $250,000 - $500,000	1.68%	1.18%
% Households by income $500,000+	.45%	.29%
Median Household Income	$58,929	$49,046
Average Household Income	$73,234	$61,759
2001 DISPOSABLE HOUSEHOLD INCOME		
% Disposable HH income <$25,000	22.07%	33.37%
% Disposable HH income $25,000 - $35,000	15.58%	16.10%
% Disposable HH income $35,000 - $50,000	19.92%	18.36%
% Disposable HH income $50,000 - $75,000	25.51%	20.31%
% Disposable HH income $75,000 - $100,000	10.33%	7.40%
% Disposable HH income $100,000 - $150,000	3.88%	2.65%
% Disposable HH income $150,000+	2.71%	1.81%
2001 POPULATION BY RACE/AGE		
% White Population	94.54%	91.09%
% Asian Population	2.12%	2.72%
% Hispanic Population	1.75%	3.04%
% Black Population	1.28%	2.54%
% Mixed Race Population	1.09%	1.66%
% Other Population	.74%	1.49%
2001 Median Age	38.3	36.2
2001 Average Age	37.3	36.7

Data Source: ESRI Business Systems

Attachment 23

Proposed Prairie Lake 18

5, 7 Mile Radius   1/2 of Southeastern Portion Of 7 Mi



Attachment 24

R-T Associates
Site Report
by Census 2000 Block Group

Site: Proposed Prairie Lake 18	Site Coordinates:
½ of 7 Mile Radius to Southeast	Longitude/X: -96.605281
	Latitude/Y: 40.736662

	TRADE AREA 76.4604 sq/mi
POPULATION	
2006 Total Proj. Population	3,646
2001 Total Est. Population	3,343
2001-2006 Change	303
2001-2006 Pop. Growth	9.06%
2001 HOUSEHOLD INCOME	
% Households by income <$25,000	16.91%
% Households by income $25,000 - $35,000	12.35%
% Households by income $35,000 - $45,000	11.17%
% Households by income $45,000 - $55,000	11.46%
% Households by income $55,000 - $75,000	18.74%
% Households by income $75,000 - $100,000	15.59%
% Households by income $100,000 - $125,000	7.13%
% Households by income $125,000 - $150,000	3.09%
% Households by income $150,000 - $250,000	2.29%
% Households by income $250,000 - $500,000	1.28%
% Households by income $500,000+	.70%
Median Household Income	$54,903
Average Household Income	$64,168
2001 DISPOSABLE HOUSEHOLD INCOME	
% Disposable HH income <$25,000	26.33%
% Disposable HH income $25,000 - $35,000	15.96%
% Disposable HH income $35,000 - $50,000	20.06%
% Disposable HH income $50,000 - $75,000	25.89%
% Disposable HH income $75,000 - $100,000	8.47%
% Disposable HH income $100,000 - $150,000	2.03%
% Disposable HH income $150,000+	1.27%
2001 POPULATION BY RACE/AGE	
% White Population	97.57%
% Asian Population	.65%
% Hispanic Population	.98%
% Black Population	.39%
% Mixed Race Population	.82%
% Other Population	.47%
2001 Median Age	40.1
2001 Average Age	37.1

Data Source: ESRI Business Systems

Attachment 25

R. Keith Thompson, CLS
List of Qualifications, Past & Present Offices:

<u>Present</u> – Co-Founder and Principal of Hemisphere Property Group, a diversified developer and owner of mixed use and retail real estate.

Principal of R-T Associates, a national real estate consulting business specializing in adapting theatres within shopping centers and mixed use developments.

<u>2001-2005</u> Co-Founder and managing member of Phoenix Theatres, LLC a theatre management and operating company operating theatres in Florida, Kentucky, South Carolina, and Virginia. Sold interest in Phoenix Theatres, LLC in March of 2005 to pursue start up and management of Hemisphere Property Group.

<u>1991 - 2000 Regal Cinemas, Inc.</u> - One of the original members of Regal Cinemas, Inc.'s Management Team.

<u>1993-2000</u> -Vice President of Development, Regal Cinemas, Inc. - later promoted to Senior Vice President of Real Estate.

<u>Accomplishments:</u> Formed the Company's Real Estate Department, consisting of Development, Property Management, and Construction. Developed financial models to assess real estate transactions, and locations. Oversaw the Development, Construction and Expansion of over 150 Locations, in 28 states.

Have performed extensive work with developers, brokers, attorneys, architects, and contractors in the procurement of locations for corporate expansion, involving extensive travel to virtually every state and major city in the U.S. Have first hand and oversight knowledge of Site Selection and Negotiation; Pro-Forma Preparation; Lease, Purchase and Option Contract Negotiation; Governmental Land Use Approval, including Zoning, Use and Site Plan Approval, Architectural and Permit Review; Construction Process including Site (civil) Engineering, Plan Preparation, Construction Bidding, Contract Negotiation, and Project Management; Property Management, including Lease and Real Property Administration.

<u>1991-1993</u> - Vice President of Finance, Regal Cinemas, Inc. - responsible for the financial management of the company, including the Acquisition of Capital, Bank and Investor Relations.

<u>International Council of Shopping Centers</u> – Served 6 years (1998-2004) as a Trustee of ICSC, the Retail Real Estate Industry's Premiere Trade Organization. Frequent speaker, panel leader, and faculty instructor at various ICSC and ULI functions, including ICSC University, and the ULI Entertainment Conference.

<u>1984-1991 Citizens Fidelity Bank & Trust Company (merged with PNC in 1988).</u> Hired by PNC in 1984 as Commercial Lending Trainee. In 1985 joined the U.S. Lending Group as a Commercial Loan Officer. Promoted to Assistant Vice President in 1987. In 1989 Promoted to Vice President, and transferred to Orlando, FL Loan Production Office (LPO). The Florida LPO was active in Corporate Banking, Merchant Banking, Mortgage Banking, Leasing and Financial Services. Left in July of 1991 to join Regal Cinemas, Inc.

<u>Other</u> Serve on Board of Directors of HDC Medical, Inc. a supplier to the Kidney Dialysis Industry.

Serve on Board of Directors of The Interfaith Health Clinic, a not-for-profit clinic providing health care to the working uninsured.

<u>Education</u> - Graduated with a Bachelor of Science Degree from Centre College of Kentucky in 1984. Major: Economics & Management; Minor: Psychology. Member of Sigma Chi Fraternity, as well as the Intercollegiate Football Team. Studied numerous post graduate courses in Finance, Management, and Real Estate.

<u>PERSONAL</u>

Married with three children. Active member of Cokesbury United Methodist Church, and member of the Finance Committee.